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CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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COUNTRY East Germany/USSR

DATE DISTR. 18 August 1953

SUBJECT Supply and Import of Ores from the USSR

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[redacted]

1. A request by the Ministry of Mining and Smelting for an additional 200,000 metric tons of iron ore from Krivoi Rog was refused. It was suggested that an additional 80,000 metric tons of ore from Kerch containing 60 percent iron and 1.5 percent phosphorus be obtained. At the beginning of 1953 there was on hand in East Germany a supply of 145,000 metric tons of iron ore from Krivoi Rog. In accordance with the 1953 trade agreement 600,000 metric tons of iron ore from Krivoi Rog would be shipped to East Germany. About 50,000 metric tons of this would go to the steel mills as raw ore (Frischerz). The remainder would stay at VEB Eisenhuetten Kombinat-Ost (EKO).

2. According to the Koeller plans (sic) which have been set up for EKO, about 700,000 metric tons of Krivoi Rog iron ore would be used for the production of about 750,000 metric tons of crude iron of sundry kinds. That would mean that at the end of 1953 the entire supply of Krivoi Rog ore would be used up. As of April, the supply of this ore was already down to less than half. If the 1953 raw steel plan were fulfilled, there would not be any more high-grade Russian ore in East Germany.

3. The importation of 80,000 metric tons of iron ore from Kerch would permit an initial supply of about 100,000 metric tons of Krivoi Rog iron ore for 1954. That would assure production for about one and one half months in 1954.

4. The iron ore from Kerch is especially valued, because it is easy to obtain from the USSR, where there is not much production of Thomas steel. It also has a high percentage of iron and the proportion of phosphorus required for Thomas steel. The ore is imported as an agglomerate which makes sintering unnecessary.

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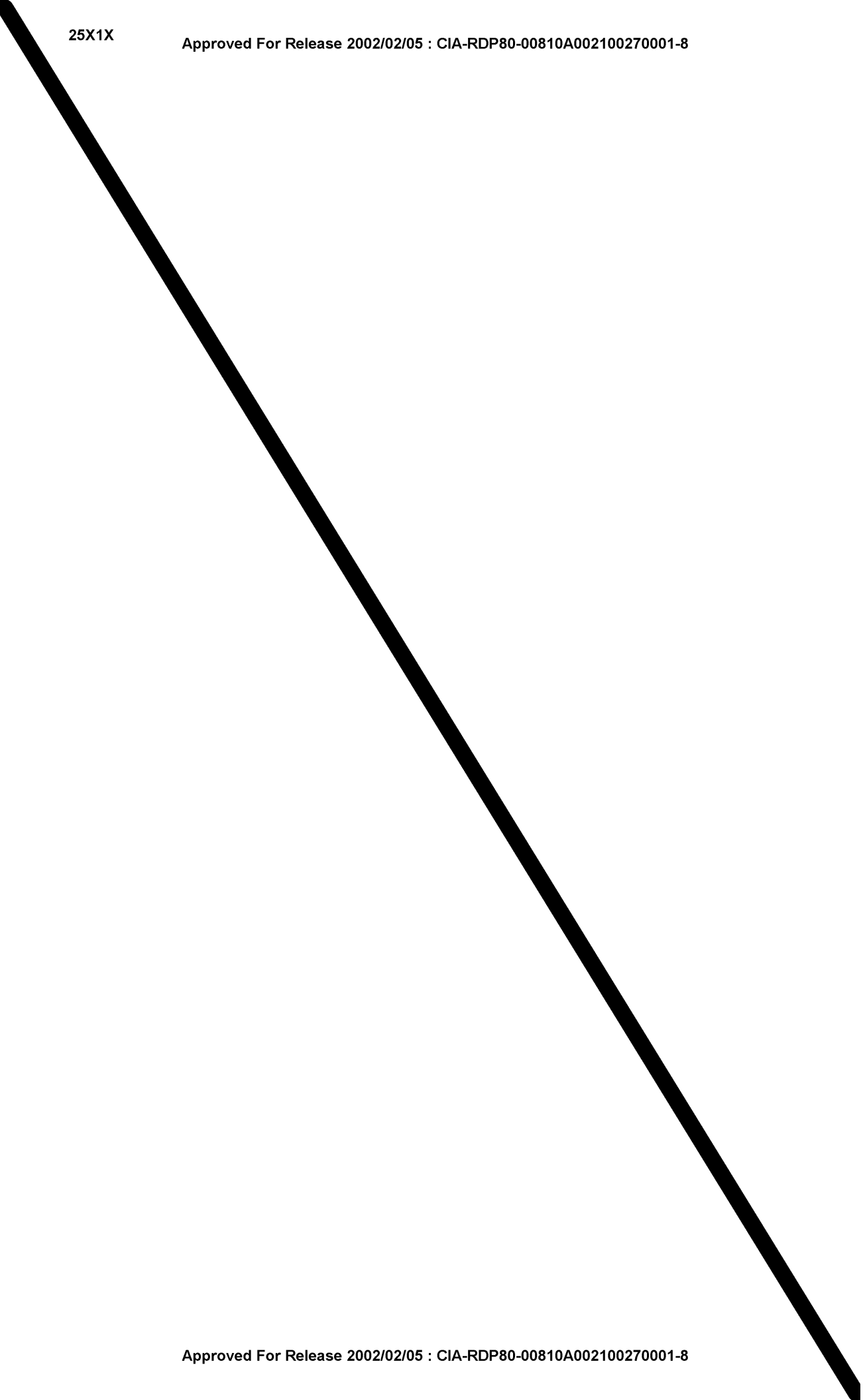

The ore currently being received from Trivoi Log has an iron content of 52 percent content, while that provided for in the new contract calls for ore with a 54 percent content. Previously, ore from Trivoi Log had often been delivered as 70 percent fine ore. It was preferred that the ore be 70 percent coarse and 30 percent fine.

6. The ore from the Proletarskaya mine was especially desirable because of the high content of Al_2O_3 ore, which is favorable to the production of slag cement.

7. There was an excess of ferromanganese on hand. It was planned to import 7,400 metric tons, of which about 4,500 metric tons had so far been imported. The Ministry of Smelting and Mining and the VVB plants returned part of the 1953 allocation, but the steels continue to pile up from production and imports. This caused heavy financial obligations. The danger of decomposition also existed. About 5,000 metric tons of ferromanganese, which would not be used, were available for export. Imports must be stopped immediately.

8. The situation in ferrosilicon was similar. There were about 10,000 metric tons which would probably not be used and which were therefore available for export.

9. About 2,500 metric tons of ferrochromium would not be used up, since some customers did not use up their allotment.

10. The requirement for ferromolybdenum remained uncovered, because Bitterfeld fulfilled its quota for the first quarter by only half and because the imports did not come in as expected. An additional 75 metric tons must be imported.

11. First and second quality manganese ore had been received from Nikopol. It had a manganese content of between 41 and 42 percent. If the delivery of first quality manganese were no longer possible, East Germany would have to be satisfied with a mixture of quality. Second quality ore from Nikopol and ore from Chiatura could not be used as a substitute for the ore mixture from Nikopol. The import of ore from Chiatura had no economic effect, because the manganese slag from Lippendorf had about the same percentage content of manganese and silicon. Thus there was no point in importing manganese ore from Chiatura. If there was no other alternative, it would be better to do without it.